

Fifty-seventh
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1407

Introduced by

Representatives Berg, Keiser, Price

Senators Espeland, Krebsbach, Lee

1 A BILL for an Act to provide for a cost-benefit analysis of mandated health insurance coverage
2 of services; to provide for a legislative council study; and to provide an appropriation.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. Health insurance mandated coverage of services - Cost-benefit**
5 **analysis requirement.**

6 1. A legislative measure mandating health insurance coverage of services or
7 payment for specified providers of services may not be acted on by any committee
8 of the legislative assembly unless the measure is accompanied by a cost-benefit
9 analysis prepared by the legislative council. Factors to consider in this analysis
10 include:

11 a. The extent to which the service provided by the proposed mandate is used by
12 a significant proportion of the population.

13 b. The extent to which the service provided under the proposed mandate is
14 generally available to consumers.

15 c. If the service provided by the proposed mandate is generally available, the
16 extent to which the lack of the service results in individuals not receiving
17 necessary health care treatment.

18 d. The level of public demand for the proposed service.

19 e. The level of public demand for insurance coverage of the proposed service.

20 f. The extent to which the proposed mandate would increase or decrease the
21 cost of the service.

22 g. The extent to which the proposed mandate would increase the appropriate
23 use of the service.

- 1 h. The extent to which the proposed mandate would increase or decrease the
2 administrative expenses of insurers and the premium and administrative
3 expenses of insureds.
- 4 i. The impact of the proposed mandate on the total cost of health care.
- 5 2. A majority of the members of the committee, acting through the chairman, has sole
6 authority to determine whether a legislative measure mandates coverage of
7 services under this section.
- 8 3. Any amendment made during a legislative session to a measure which mandates
9 health insurance coverage of services may not be acted on by a committee of the
10 legislative assembly unless the amendment is accompanied by a cost-benefit
11 analysis prepared by the legislative council.

12 **SECTION 2. LEGISLATIVE COUNCIL STUDY - REPORT BY INSURANCE**

13 **COMMISSIONER ON HEALTH INSURANCE MANDATED COVERAGE OF SERVICES.** The
14 legislative council shall consider studying during the 2001-02 interim existing mandated health
15 insurance coverage of services and the feasibility and desirability of repealing state laws
16 mandating health insurance coverage of services. During the 2001-02 interim, the insurance
17 commissioner shall evaluate, subject to receipt of adequate funding under section 3 of this Act,
18 each existing health insurance coverage mandate on the basis of cost or effect on insurance
19 premiums as these relate to the benefits and evaluate the benefits of reducing the need for
20 future health care services due to early identification and treatment. The insurance
21 commissioner may contract with a third party to perform the evaluations. The insurance
22 commissioner shall present the report to the legislative council before July 1, 2002.

23 **SECTION 3. FUNDING AUTHORITY - APPROPRIATION.** The insurance
24 commissioner may accept, receive, and expend public and private moneys, not in excess of
25 \$250,000, made available by grant or donation to accomplish the evaluations required under
26 section 2 of this Act and those moneys are appropriated to the insurance commissioner for
27 these purposes for the biennium beginning July 1, 2001, and ending June 30, 2003. Any
28 unexpended appropriation authority to and any excess income received by the insurance
29 commissioner under chapter 32 of the 1999 Session Laws, in an amount not to exceed
30 \$250,000, are not subject to section 54-44.1-11 and are available and may be expended by the
31 insurance commissioner to accomplish the evaluations required under section 2 of this Act

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- 1 during the biennium beginning July 1, 2001, and ending June 30, 2003. The unexpended
- 2 appropriation authority may only be spent to the extent that the expenditure does not reduce
- 3 the projected transfers to the general fund under section 26.1-01-07.1 as projected by the
- 4 fifty-seventh legislative assembly revenue forecast for the 2001-03 biennium.